

**Reporting Requirements for
U.S. Direct Investment Abroad**

Surveys of U.S. Direct Investment Abroad

BE-10 ----- Benchmark Survey of U.S. Direct Investment Abroad

Forms:

A.....Nonbank U.S. Reporter

B(LF,SF)..Nonbank Foreign Affiliate

A(BANK)..Bank U.S. Reporter

B(BANK)..Bank Foreign Affiliate

BE-11 ----- Annual Survey of U.S. Direct Investment Abroad¹

Forms:

A.....U.S. Reporter

B(LF,SF)..Majority-owned Foreign Affiliate

C.....Minority-owned Foreign Affiliate

BE-577 ----- Direct Transactions of U.S. Reporter with Foreign Affiliate

1. Covers only nonbank U.S. parents and their nonbank foreign affiliates.

Summary of Reporting Requirements of U.S. Direct Investment Abroad¹

FORM #	PAGE	FILING FREQUENCY	OWNERSHIP %	INDUSTRY(IES) SURVEYED	EXEMPTION LEVEL ² [Millions of Dollars]
BE-10A	4	Quinquennially	----	Nonbanks	----
BE-10B(LF)	4	Quinquennially	≥10	Nonbanks	50
BE-10B(SF)	4	Quinquennially	≥10	Nonbanks	3-50
BE-10A (Bank)	4	Quinquennially	----	Banks	----
BE-10B (Bank)	4	Quinquennially	≥10	Banks	3
BE-11A	6	Annually	----	Nonbanks	----
BE-11B(LF)	6	Annually	>50	Nonbanks	50
BE-11B(SF)	6	Annually	>50	Nonbanks	20-50
BE-11C	6	Annually	20-50	Nonbanks	20
BE-577	8	Quarterly	≥10	All	20

1. This is only a summary. Refer to the instructions for each form for detailed reporting requirements.

2. An affiliate must be reported if any one of the following three items for the affiliate (not the U.S. Reporter's share) exceeds the exemption level:

a) Total assets

b) Sales or gross operating revenues, excluding sales taxes, or

c) Annual net income (loss) after foreign income taxes.

If one or more affiliates are required to be reported on forms BE-10B, BE-10B(Bank), or BE-11B/C, then a form BE-10A (Bank) or BE-11A, respectively, also must be filed.

Every U.S. person with a 10% or more direct and/or indirect ownership interest in a foreign business enterprise is subject to the reporting requirements. Reporting is mandatory pursuant to the International Investment and Trade In Services Survey Act; willful violations of the reporting requirements may result in the assessment of civil and criminal penalties.

Information filed in these reports is used only for analytical and statistical purposes, and access to the information is available only to officials and employees of agencies designated by the President to perform functions under the International Investment and Trade In Services Survey Act.

BE-10 Benchmark Survey

The Benchmark Survey of U.S. Direct Investment Abroad (BE-10) is a census conducted by the Department of Commerce to secure detailed data on the activities of, and investment in, foreign affiliates. In addition to providing data to help formulate U.S. policy regarding direct investment, the benchmark survey provides the data necessary to derive estimates of direct investment transactions in nonbenchmark years, when only a sample of companies report.

Every U.S. person that owned or controlled a direct or indirect interest of ten percent or more in a foreign business enterprise or at any time during the benchmark year must either complete the benchmark survey or file a "Claim for Not Filing a BE-10". The previous survey covered fiscal year 1994; the next survey is expected to cover fiscal year 1999.

A Form BE-10A or BE-10A (Bank) is required for each U.S. Reporter that had a foreign affiliate at any time during the benchmark year. A Form BE-10B or BE-10B(Bank) is required for each foreign affiliate that is not exempt. If a foreign affiliate does not own another foreign affiliate for which a Form BE-10B must be filed, and the following items for the given foreign affiliate are each less than the exemption level (which was \$3 million for the 1994 benchmark survey), then the affiliate is exempt from reporting:

- 1) Total assets,
- 2) Annual sales or gross operating revenues, excluding sales taxes, and
- 3) Annual income (loss) after foreign income taxes.

A U.S. Reporter that is a bank or a bank holding company must file Form BE-10A(Bank), and a foreign affiliate that is a bank or bank holding company must file Form BE-10B(Bank). A Reporter that is not a bank or bank holding company must file Form BE-10A, and a foreign affiliate that is not a bank or bank holding company file Form BE-10B.

BE-11: Annual Survey of U.S. Direct Investment Abroad

The Annual Survey of U.S. Direct Investment Abroad is conducted to secure current data on the operations of U.S. persons and their foreign affiliates in nonbenchmark years. This survey, which consists of Forms BE-11A, B(LF), B(SF) and C, collects considerably less detail than, the BE-10 Benchmark Survey.

Form BE-11A (Report for U.S. Reporter) must be filed by each nonbank U.S. person having a foreign affiliate reportable on either Form BE-11B(LF), BE-11B(SF), or BE-11C. Form BE-11B(LF) or (SF) (Report for Majority-Owned Foreign affiliate) must be filed for each majority-owned nonbank foreign affiliate.

Form BE-11C (Report for Minority-Owned Foreign affiliate) must be filed to report selected items for each minority-owned nonbank foreign affiliate owned at least 20% (directly and/or indirectly) by the U.S. reporter but not more than 50% by all its U.S. Reporters combined. An affiliate is exempt from reporting if: (1) it is less than 20% owned (directly or indirectly) by all its U.S. Reporters combined (but see "NOTE: below; (2) its U.S. parent is a bank; (3) it is itself a bank; or (4) if all of the following items are less than (+) 20 million:

- 1) Total assets at the end of the fiscal year,
- 2) Sales or gross operating revenues, excluding sales taxes, and,
- 3) Net income (loss), after foreign income taxes.

NOTE: For fiscal year 1997 only, a BE-11C report must be filed for

nonbank foreign affiliates owned at least 10 percent, but less than 20 percent, by the U.S. Reporter and for which total assets, sales, or net income exceed \$100 million.

**BE-577: Direct Transactions of U.S. Reporter
With Foreign Affiliate**

The purpose of the Quarterly Report, Form BE-577, is to provide reliable and up-to-date information on U.S. direct investment abroad for inclusion in the U.S. balance of payments statistics. The form is required to be filed each quarter for each foreign affiliate in which a U.S. person has a direct and/or indirect ownership interest of at least ten percent of the voting stock if an incorporated business enterprise or an equivalent interest in an unincorporated business enterprise at any time during the reporting period, except as exempted below. Reports are required even though a foreign affiliate may have been established, acquired, seized, liquidated, sold, expropriated, or inactivated during the period.

A BE-577 report must be filed for each foreign affiliate for which any one of the following three items for the affiliate (not the U.S. Reporter's share) was greater than \$20 million (positive or negative):

- 1) Total assets,
- 2) Annual sales or gross operating revenues, excluding sales taxes, or
- 3) Annual net income, after provision for foreign income taxes.

However, an indirectly-owned foreign affiliate is not required to be reported unless an intercompany account balance with the U.S. Reporter exceeds \$1 million or royalties, license fees, and charges for other services receipts or payments exceed \$1 million.

These reports are required to be filed within 30 days after the close of each calendar (or fiscal) quarter, except for the final quarter of the calendar (or fiscal) year, when reports may be filed within 45 days.

